



Tradex

R&D Tax  
Concession

## Cash flow propels idea from the garage to the globe

A few years ago *Locata* was developing its new global positioning system in a Canberra garage.

Now it has received more than \$20 million in equity investment from the Khaleeji Commercial Bank BSC of Bahrain.

The investment will help fund engineering, support and management staff to continue developing its technology – which has already been taken up by the world’s biggest global positioning system (GPS) companies, including Switzerland’s Leica Geosystems and America’s Trimble Navigation.

*Locata* has invented a ground-based satellite positioning system, which for the first time ever, replicates GPS on the ground.

*Locata* was founded by David Small and Nunzio Gambale.

Nunzio said GPS was “badly broken” for most modern indoor and personal applications like mobile phones because the original military designers never imagined GPS being put to industrial, urban or indoor use.

“*Locata* has fixed that by inventing the first and only devices that create what can be thought of as ‘a local GPS’.

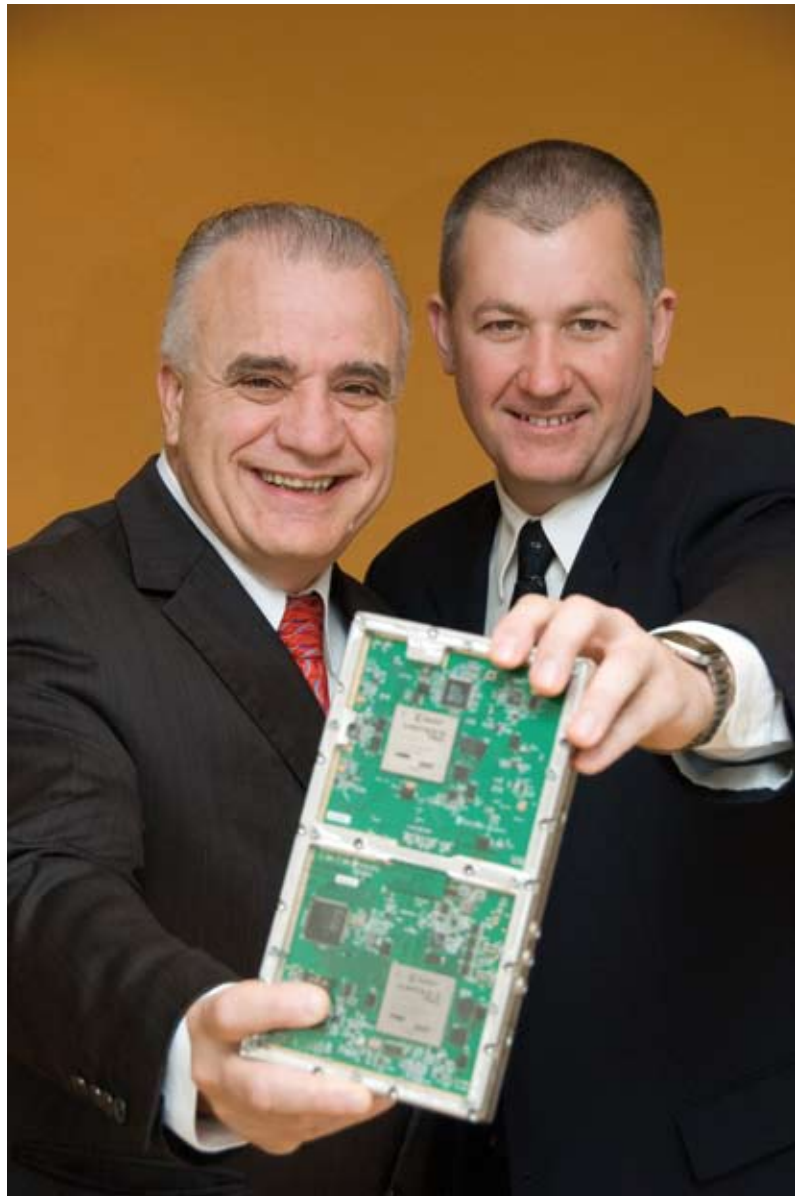
“We can locally imitate the world’s current \$40 billion GPS constellation of satellites in the myriad areas – such as in mines and inside warehouses – where traditional GPS fails,” Nunzio said.

“*Locata* allows users to set up their own GPS network and so achieve exactly what they need from positioning.

“This is an extremely valuable capability ... so the world is beating a path to our door.

“We were completely blown away with the Australian Government’s commitment to innovative projects.

“The help and guidance we’ve received from AusIndustry has been fantastic,” Nunzio said.



*Locata*’s founders Nunzio Gambale (left) and David Small – their technology has been endorsed by the United States Air Force.

The *Tradex* program brings financial relief to companies who need to rely on imported components to make products for export.

Under *Tradex*, companies can claim an up-front exemption from import duties and GST. It means an immediate cash flow benefit and reduces the paperwork.

The *R&D Tax Concession* is aimed at encouraging innovative, competitive and export-oriented Australian industries.

*Locata* is registered for the *R&D Tax Concession* and *Tradex*.

Leica Geosystems and Trimble Navigation have signed global development and distribution relationship agreements with *Locata*.

“By signing deals with these huge companies, we’re able to instantly tap into their global distribution, sales and service channels,” Nunzio said.

Leica Geosystems has purchase orders from Newmont Mining for deployment of Leica’s Fleet Management System, enhanced and powered by *Locata* technology.

The first installation is at the huge Boddington Gold Mine near Perth.

Trimble is working in the USA with their Joint Venture partner, Caterpillar, to develop new high-accuracy machine automation systems for the construction industry.

*Locata*’s technology has also recently received endorsement from the United States Air Force (USAF), the original inventors of GPS.

*Locata* is contracted by the USAF as the “sole source supplier” for their new ground-based positioning technology.

*Locata* is working directly with the 746<sup>th</sup> Test Squadron at Holloman Air Force Base, the USAF’s Centre of Expertise for GPS Development.

Military uses for *Locata* include aircraft landing, unmanned aerial vehicles, robotics and warfighter tracking systems.

## Looking to the future

And what does the future hold? David Small said one of the biggest uses for reliable indoor positioning will be for emergency services.

“The United States emergency services now receive more than 80 million emergency calls from mobile phones each year, and the current satellite-based GPS cannot position you reliably to less than about 300 metres in cities.

“That’s a real problem for emergency services,” David said.

“In Sydney that’s more than two city blocks. *Locata* is developing technology to provide pinpoint signals, accurate to better than several metres.”



## Tradex and the R&D Tax Concession

*Tradex* provides financial relief to import/export businesses through an up-front exemption from customs duty and GST.

The exemption is on imported goods which are to be exported or to be used as inputs to exports.

Businesses must apply for this program before importing their goods. Once granted, a *Tradex* order remains in place until revoked.

The program aims to help Australian companies strengthen their international competitiveness. Because the exemption is provided up front, *Tradex* can provide significant cash flow benefits.

The *R&D Tax Concession* allows companies to deduct 125% of their research and development expenditure when lodging their tax returns.

Companies need to register their activities with AusIndustry every year to claim a concession.

AusIndustry is the Australian Government’s principal program delivery division in the Department of Innovation, Industry, Science and Research.

AusIndustry delivers a range of more than 30 business programs – including innovation grants, tax and duty concessions, small business development, industry support and venture capital – worth about \$2 billion, to more than 10,000 businesses and 100,000 individuals every year.

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